

## Message Text

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ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 CIAE-00 COME-00 EB-08 INR-07  
LAB-04 NSAE-00 SIL-01 CU-06 HEW-06 PA-02 PRS-01  
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USMISSION GENEVA  
USCINCEUR VAIHINGEN, GERMANY  
USDOCOSOUTH FOR INTAF

UNCLAS ROME 13457

E.O. 11652: N/A  
TAGS: ELAB, IT, PINT, EFIN  
SUBJECT: UNEMPLOYED YOUTH SIGN UP FOR YOUTH EMPLOYMENT BILL  
BENEFITS

USEEC  
USOECN, ALSO FOR EMBASSY

REF: ROME 8368; ROME A-199

1. SUMMARY. THE GOVERNMENT'S YOUTH EMPLOYMENT PLAN HAS COMPLETED ITS INITIAL PHASE: SOME 650,000 YOUNG PEOPLE HAVE SIGNED UP TO PARTICIPATE IN THE PROGRAM WHICH IS DESIGNED, THROUGH SUBSTANTIAL GOVERNMENT SUBSIDIES, TO OFFER TEMPORARY JOBS TO ABOUT 600,000 UNEMPLOYED YOUTHS BETWEEN THE AGES OF 15 AND 29. THERE ARE INDICATIONS THAT THE PRIVATE SECTOR HAS SOME QUALMS ABOUT PARTICIPATING IN THE PROGRAM; THEY FEAR THAT, DESPITE ASSURANCES TO THE CONTRARY, EXTRAPARLIAMENTARY GROUPS AND PERHAPS SOME  
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PARTS OF THE LABOR MOVEMENT WILL SEEK THROUGH AGITATION TO CONVERT THE JOBS INTO PERMANENT ONES. SINCE, IN EFFECT, IT IS VIRTUALLY IMPOSSIBLE TO REDUCE WORK FORCES IN ITALY EXCEPT THROUGH THE VERY LOW RATES OF ATTRITION WHICH PREVAIL, THIS IS A MAJOR CONCERN. WHEN FULL GOVERNMENTAL ACTIVITIES RESUME FOLLOWING THE AUGUST HIATUS, THE GOVERNMENT WILL DOUBTLESS SEEK TO ENLIST THE COOPERATION OF THE TRADE UNIONS IN ALLAYING

ENTREPRENEURIAL CONCERNS IN ORDER TO LAUNCH THE YOUTH EMPLOYMENT PROGRAM AS PLANNED.

END SUMMARY.

2. THE FIRST IMPLEMENTARY PHASE OF THE NEW YOUTH EMPLOYMENT BILL (LAW 285 - SEE REFTL) CONCLUDED ON AUGUST 11 WHEN THE SPECIAL UNEMPLOYMENT LIST FOR PARTICIPATION IN THE PROGRAM WAS CLOSED. THE PRELIMINARY COUNT OF THE NUMBER OF APPLICANTS, AS SUPPLIED BY THE STATISTICAL BUREAU ISTAT, IS 647,165. AS EXPECTED, THE GREATEST PROPORTION RESIDE IN THE GREATER NAPLES AREA.

3. THE NEXT IMPORTANT STEP WILL BE TO INDUCE PRIVATE EMPLOYERS TO AVAIL THEMSELVES OF THE LAW'S INCENTIVES IN ORDER FOR THE GOVERNMENT TO PROVIDE THE 600,000 TEMPORARY JOBS ENVISAGED BY THE LAW. REPORTEDLY, THE RESPONSE FROM EMPLOYERS IS LAGGING, DESPITE THE URGING OF THE MANAGEMENT ORGANIZATION CONFINDUSTRIA. EMPLOYER RELUCTANCE IS BASED ON TWO MAJOR CONSIDERATIONS: A) FEAR THAT THEY WILL BE SUBJECTED TO MASSIVE PRESSURE TO MAKE THE JOBS PERMANENT, DESPITE THE PAINS THE GOVERNMENT HAS TAKEN TO EMPHASIZE THE TEMPORARY NATURE OF THE JOBS PROGRAM (ALBEIT, IN THE HOPE THAT EMPLOYERS WOULD SEE FIT TO COVERT THE POSITIONS INTO PERMANENT JOBS); AND B) THEY ARE LEERY OF THE TOTAL ABSENCE OF SELECTIVITY AVAILABLE TO THEM, I.E., THEY CAN ONLY INDICATE THE NUMBER OF WORKERS DESIRED, AND THE KINDS OF WORK TO BE UNCLASSIFIED

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PERFORMED, BUT MUST ACCEPT WHOEVER THE GOVERNMENT OFFICES SEND IN RESPONSE.

4. EMPLOYER FEARS REGARDING POSSIBLE ORGANIZED AGITATION TO TREAT THE JOBS AS PERMANENT POSTS MAY BE WARRANTED. THE CONSERVATIVE DAILY /IL GIORNALE/ REPORTS THAT EXTRAPARLIAMENTARY GROUPS ARE PLANNING TO DO JUST THAT, AND HAVE BEEN ENCOURAGING YOUNG PEOPLE TO SIGN UP FOR THE PROGRAM ACCORDINGLY. /IL GIORNALE/ NOTES THAT THE EXTRAPARLIAMENTARY PAPER /IL MANIFESTO/ CONCEDES THE NEED TO "BREAK OUT BEYOND THE LIMITS OF THE LAW" AND THAT THUS "THE STRUGGLE OF THE YOUNG PEOPLE WILL BE THE SAME AS THAT CONDUCTED BY THE WORKERS AT UNIDAL AND THE OTHER FACTORIES WHICH ARE SEEKING TO FIRE THEIR EMPLOYEES." EVIDENTLY HALF OF THOSE WHO HAVE SIGNED THE SPECIAL UNEMPLOYMENT LIST DID SO WITHIN THE LAST THREE DAYS OF THE SIGNUP PERIOD.

5. WHILE SOME PUBLIC COMMENTATORS SEEM SURPRISED AT THE NUMBER OF YOUNG PEOPLE WHO HAVE APPLIED TO PARTICIPATE IN LAW 285'S BENEFITS, HAVE SOUGHT TO RECONCILE THE FACT THAT THE 647,000 REPRESENTS ONLY ABOUT SIXTY PERCENT OF THE YOUNG PEOPLE REPORTED UNEMPLOYED BY ISTAT (1,048,000 IN APRIL). ONE EX-

PLANATION IS THAT THE NEW ITALIAN UNEMPLOYMENT CONCEPT IS BROAD. IT INCLUDES PERSONS NOT ACTIVELY SEEKING JOBS AND/OR NOT ADMITTING THEY ARE EMPLOYED ("BLACK LABOR"). THE NUMBER REGISTERED MAY ALSO REFLECT THE CONSIDERABLE SKEPTICISM EXPRESSED AT THE OUTSET BY MANY YOUTH GROUPS, PARTICULARLY REGARDING THE TEMPORARY NATURE OF THE JOBS ENVISAGED. FINALLY, MOST OF THE JOBS ENVISIONED ARE IN THE BLUE COLLAR FIELD, WHEREAS A RECENT STUDY HAS REPORTED THAT A LARGE NUMBER OF YOUNG JOB SEEKS ARE SEEKING WHITE COLLAR JOBS, PREFERABLY WITH THE PUBLIC SERVICES. ONLY A SMALL MINORITY (ABOUT 28,000) OF THE 600,000 JOBS ENCOMPASSED IN LAW 285 ARE GOVERNMENT JOBS.

6. COMMENT. AS SOON AS THE GOVERNMENT GETS BACK ON THE JOB FOLLOWING THE AUGUST HIATUS, A MAJOR TASK WILL BE TO ELICIT THE UNCLASSIFIED

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NECESSARY RESPONSE FROM PRIVATE EMPLOYERS. PRESUMABLY, AN IMPORTANT CONSIDERATION WILL BE TO OFFER ADDITIONAL ASSURANCES THAT EMPLOYERS WILL NOT BE PRESSURED INTO SIMPLY EXPANDING THEIR PERMANENT EMPLOYMENT ROLLS. TO THIS END, IT IS REASONABLE TO SUPPOSE THAT THE GOVERNMENT WILL BE SEEKING THE COOPERATION OF THE LABOR UNIONS IN CLEARLY SPELLING OUT THE SCOPE AND THE CONDITIONS OF THE PROGRAM'S IMPLEMENTATION. THIS COOPERATION WOULD SEEM TO BE FORTHCOMING INASMUCH AS IT IS EVIDENT THE COMMUNISTS FEEL A STRONG VESTED INTEREST IN ASSURING THE PROGRAM'S SUCCESSFUL IMPLEMENTATION AND THEY, IN TURN, HAVE A GREAT DEAL TO DO WITH ESTABLISHING LABOR POLICY FOR THE CCU AND LABOR IN GENERAL. HOLMES

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## Message Attributes

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